

***American Congress of Obstetricians and Gynecologists  
District VIII, Hawaii (Guam & American Samoa) Section***

Lori Kamemoto, MD, MPH, FACOG, Chair  
94-235 Hanawai Circle, #1B  
Waipahu, Hawaii 96797



March 20, 2015 - Friday  
10:30 AM  
Conference Room 329

TO: House Committee on Health  
Representative Della Au Belatti, Chair  
Representative Richard Creagan, Vice Chair

FROM: Lori Kamemoto, MD, MPH, FACOG – Chair  
Greigh Hirata, MD, FACOG – Vice Chair  
American Congress of Obstetricians and Gynecologists  
Hawaii (Guam & American Samoa) Section

RE: **SB736SD1—Relating to Insurance**

POSITION: **Strongly Support with Amendment that recoupment time be limited to the bill's original 12 month period (instead of 18 months as amended in SD1 version)**

The American Congress of Obstetricians and Gynecologists, Hawaii Section (Hawaii ACOG) strongly supports SB736SD1 which requires an entity to send written notice to a health care provider at least thirty calendar days prior to initiating any recoupment or offset demand efforts and prohibits an entity from initiating any recoupment or offset efforts more than twelve months after an initial claim payment was received by a health care provider, with specific exceptions. **We request amending the SD1 version to its original form limiting recoupment time to 12 months.**

**Physicians, including obstetrician-gynecologists, have a 12 month limit to submit patient care claims to the insurance company for reimbursement. Why then, should insurance companies be able to recoup monies from reimbursements made over 12 months ago, and have an unlimited number of years to do so?** Insurance companies have targeted some physicians to recoup previous reimbursements on claims made and paid several years ago. Physicians are notified, or in some cases not even aware, that adjusted reimbursements/recoupment are being taken from their current reimbursements. In one recent example on the Big Island, an obstetrician-gynecologist was asked to pay

back monies from claims he filed and were reimbursed by the insurance company several years ago. This obstetrician-gynecologist's patients rallied behind this physician, as they were very worried about losing this doctor in their rural doctor shortage community. We feel that **a 12 month period is more than enough time for insurance companies to adjust claims already paid.**

Insurance companies looking back to claims already paid several years ago, to recoup monies paid out several years ago, is neither a fair nor equitable business practice. Obstetrician-gynecologists are dedicated to the health and care of our patients, mothers and babies. However, **such business practices contribute to the difficulties in running and maintaining a clinic, and is one more reason why doctors may not want to work in Hawaii.**

**Given that the State of Hawaii lost almost 100 doctors last year alone, we should make every effort not to drive physicians still practicing in Hawaii to the mainland where reimbursements are higher and the cost of running a clinic is much lower.**

According to the Star Advertiser's January 20, 2015 article entitled, "Doctor shortage grows", "Hawaii's doctor shortage jumped 20 percent over the past year as more physicians left the field amid a growing demand for medical services. New estimates on physician supply and demand peg the current shortage at 890, and that's expected to jump as high as 1,500 by 2020, according to the latest figures from the University of Hawaii John A. Burns School of Medicine's Area Health Education Center."

Please do something to improve Hawaii's medical climate as we are already in a doctor shortage crisis.

**Amendments Requested:**

**Page 2, Line 12:**

**Replace "...eighteen months" with "twelve months"...**

**Page 7, Line 5:**

**Replace "...eighteen months" with "twelve months"...**

**Page 7, Line 16:**

**Replace "...eighteen month" with "twelve month"...**

Mahalo for the opportunity to testify on this important Women's Health, and Access to Healthcare issue.

creagan1 - Dannah

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From: mailinglist@capitol.hawaii.gov  
Sent: Wednesday, March 18, 2015 11:03 PM  
To: HLTtestimony  
Cc: wailua@aya.yale.edu  
Subject: \*Submitted testimony for SB736 on Mar 20, 2015 10:30AM\*

**SB736**

Submitted on: 3/18/2015

Testimony for HLT on Mar 20, 2015 10:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Wailua Brandman	Hawaii Assoc. of Professional Nurses	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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# **Hawai'i Psychological Association**

## ***For a Healthy Hawai'i***

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Representative Della Au Belatti, Chair  
Representative Richard P. Creagan, Vice Chair  
Committee on Health

March 18, 2015

Friday, March 20, 2015, 10:30 a.m., Room 329

### TESTIMONY IN SUPPORT OF SB 736, SD1

Honorable Chair Della Au Belatti, Vice Chair Richard P. Creagan and members of the committee, my name is Marie Terry-Bivens, Psy.D. and I am a psychologist and President of the Hawaii Psychological Association. I would like to provide testimony in support of SB 736, SD1.

"Recoupments" are funds that health plans have paid to providers but later seek reimbursement after the plan determined, for whatever reason, it paid out in error. There's no precise information about how often insurance companies are demanding recoupment or for how much, but it is happening more often, and to the full range of health care providers. Across the country as the recoupment demands are increasing, practices are folding as a result.

In Hawaii, it is widely recognized that we have a shortage of health practitioners in many fields. And while practitioners generally have one year to adjust their billing to insurance companies; the insurance companies have no similar restriction preventing them from reaching far back into history to recoup funds they previously paid to health care providers for their services. This is an ongoing open-ended liability for health care professionals and undermines the ability to build upon and plan a viable and economically feasible practice.

Thus far, more than half of the country has legislation limiting the time that an entity can take money back for the services that have already provided. According to a recent data search the following states have statute of limitations for medical recoupment: Alabama, Arkansas; Arizona; California; Colorado; Connecticut; District of Columbia; Florida; Georgia; Illinois; Indiana; Iowa; Kentucky; Maine; Maryland; Massachusetts; Missouri; Montana; New Hampshire; New Jersey; New York; North Carolina; Ohio; Oklahoma; South Carolina; Texas; Utah; Vermont; Virginia; Washington; and West Virginia ranging from 6-months to 30-months, with the average range of time allowed for take-backs being somewhere between 12 and 24 months.

Representative Della Au Belatti, Chair  
Representative Richard P. Creagan, Vice Chair  
March 18, 2015  
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Thank you for your consideration of my testimony in support of SB 736, SD1.

Respectfully submitted,

Marie Terry-Bivens, Psy.D.  
President

March 20, 2015

The Honorable Della Au Belatti, Chair  
The Honorable Richard P. Creagan, Vice Chair  
House Committee on Health

Re: SB 736, SD1 – Relating to Insurance

Dear Chair Au Belatti, Vice Chair Creagan and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 736, SD1, which seeks to establish statutory insurance recoupment timeframes. HMSA has comments on this measure.

Insurance recoupment occurs when an issuer pays a health care provider and later seeks reimbursement of some or all of the payment upon determination that the payment was made in error. Via SCR 129, the 2013 Legislature established a Working Group, chaired by the Insurance Commissioner, to look into concerns raised about the need to statutorily establish time limits for recoupment. The Working Group concluded:

*The Working Group finds that which anecdotal examples of recoupment have been discussed during the Working Group meetings, most of them related to Medicare or Medicaid. As federal law places no specific time limit on recoupment recover, state legislation would have no effect on the recoupment practices at issue. In addition, the Working Group finds that several Hawaii health plans already have recoupment time frames established with healthcare providers.*

*After much discussion and deliberations, the Working Group makes the following recommendations:*

- 1. The Working Group does not recommend introducing legislation establishing insurance recoupment time limits; and*
- 2. The Working Group recommends that HAHP work with its members and the healthcare provider community to ensure HAHP members maintain reasonable recoupment timeframes .*

That said, we have had discussions with the proponents of this measure to discuss our concerns with the Bill. SB 736, SD1, is a result of those discussions and addresses the concerns we had with the original draft.

Thank you for the opportunity to comment on SB 736, SD1.

Sincerely,



Jennifer Diesman  
Vice President  
Government Relations



## HAWAII MEDICAL ASSOCIATION

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TO:  
COMMITTEE ON HEALTH  
Rep. Della Au Belatti, Chair  
Rep. Richard P. Creagan, Vice Chair

DATE: Friday, March 20, 2015  
TIME: 10:30 a.m.  
PLACE: Conference Room 329

FROM: Hawaii Medical Association  
Dr. Christopher Flanders, DO, Executive Director  
Lauren Zirbel, Community and Government Relations

Re: SB 736 SD 1 RELATING TO INSURANCE

Position: Support

This measure requires an entity to send written notice to a health care provider at least thirty calendar days prior to initiating any recoupment or offset demand efforts and prohibits an entity from initiating any recoupment or offset efforts more than eighteen months after an initial claim payment was received by a health care provider, with specific exceptions. The HMA supports this measure as is. We have reached agreed upon language with HMSA.

Given that the State of Hawaii lost almost 100 doctors last year alone we should make every effort to not drive the rest of the practicing physicians still living in Hawaii to the mainland where reimbursements are much higher and the cost of running a practice is much lower.

According to the Star Advertiser's January 20, 2015 article entitled, Doctor shortage grows, "Hawaii's doctor shortage jumped 20 percent over the past year as more physicians left the field amid a growing demand for medical services. New estimates on physician supply and demand peg the current shortage at 890, and that's expected to jump as high as 1,500 by 2020, according to the latest figures from the University of Hawaii John A. Burns School of Medicine's Area Health Education Center... Specialties with the fastest-growing shortages include infectious disease and orthopedic surgery. There is a 65 percent shortage of specialists in infectious diseases like HIV/AIDS and antibiotic-resistant wounds, with only 13 doctors statewide, while a more than 50 percent shortage exists for general surgeons, with only 55

### *Officers*

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*Immediate Past President – Walton Shim, MD, Secretary - Thomas Kosasa, MD*  
*Treasurer – Brandon Lee, MD Executive Director – Christopher Flanders, DO*

seeing patients." <sup>1</sup>

Our physician shortage did not come out of nowhere. Please do something to improve Hawaii's medical climate, which is hostile to providers. By all calculations, we are already in a crisis.

Thank you for the opportunity to testify.

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<sup>1</sup> <http://www.staradvertiser.com/s?action=login&f=y&id=289125151&id=289125151>